

DEPARTMENT OF STATE REVENUE
LETTER OF FINDINGS NUMBER: 02-0125
Adjusted Gross Income Tax
For the Tax Period 1995-2000

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ISSUE

1. Adjusted Gross Tax-Imposition

Authority: IC 6-8.1-5-1(b), IC 6-3-2-1, IC 6-8.1-5-4(a).

The taxpayer protests the assessment of adjusted gross income tax.

STATEMENT OF FACTS

The taxpayer is an individual who works as a contractor in the business of roofing homes and local businesses. He also does some home remodeling projects. The taxpayer did not file Indiana adjusted gross income tax returns for the years 1995-2000. Pursuant to an audit, the department assessed adjusted gross income tax, interest, and penalty for the tax period 1995-2000. The taxpayer protested the assessment of tax. A hearing was held and this Letter of Findings results.

1. Adjusted Gross Income Tax-Imposition

Discussion

Indiana imposes the adjusted gross income tax on Indiana residents. IC 6-3-2-1. All department assessments are prima facie evidence that the taxes are owed by the taxpayer who has the burden of proving that the assessment is incorrect. IC 6-8-1-5-1(b).

Taxpayers are required to maintain adequate original documentation and records for the department to determine the correct amount of tax due. IC 6-8.1-5-4(a). The taxpayer did not produce any documentation or records for the use of the department's auditor in preparation of the audit. Due to the lack of records, the auditor had to use the best information available to make a reasonable estimate of the adjusted gross income tax due to the state.

Although the taxpayer was given adequate opportunity, he did not present any documentation or records to demonstrate that the audit assessment was incorrect. The taxpayer did not sustain his burden of proof.

Finding

The taxpayer's protest is denied.